



# Financing California's High-Speed Train System

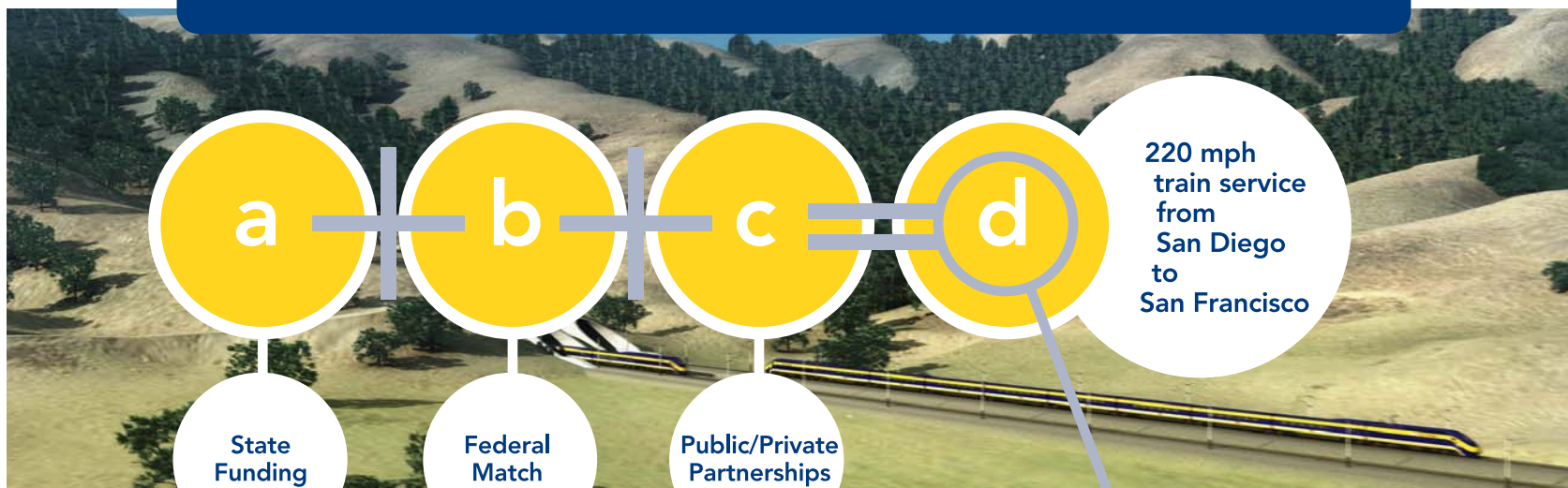


SIMULATION ARTWORK: N3CD

*"Public support, both financial and political, will create an opportunity for the High-Speed Rail Authority to leverage significant private participation. Construction firms, vendors, operators and private equity firms are all interested in the project, and could, on their own or in partnership with one another, participate in the development of the project."*

**BARBARA LLOYD**  
Lehman Brothers

**Governor Schwarzenegger says high-speed trains will bring:**  
*"improvements to our air quality, reductions in greenhouse gas emissions, congestion relief on our highways and greater mobility."*  
— Fresno Bee, May 4, 2007



SIMULATION ARTWORK: N3CD

With voter approval of the high-speed train bond in November 2008, construction is likely to begin as early as 2011 on a proven alternative to clogged freeways, polluted air and overcrowded airports.

**High-Speed Trains**  
Will Move California Travelers  
at speeds up to 220 mph

# High-Speed Trains Make Economic Sense

The financing strategy for planning, design and construction of the \$40 billion, 800-mile high-speed train system from Southern California to the Bay Area relies on three sources: state and local funding, federal financing, and "P3"—public-private partnerships.

## State and Local Funding First

A \$9.95 billion bond is on the statewide November 2008 ballot. The bond measure is part of the governor's state General Plan and is within the Schwarzenegger Administration's current debt capacity guidelines. The bond would provide nearly \$1 billion for improvements to local and regional passenger rail projects that complement and connect with the high-speed train system.

By law, state funds will not be made available until matching funds from additional non-state sources are obtained.

## Federal Funding

Federal funding is projected to provide 25 to 33 percent of the construction costs—from \$10 to \$12 billion. Last October, the United States Senate passed the Passenger Rail Investment and Improvement Act of 2007, including a first-ever direct federal program for funding high-speed trains. The legislation is pending approval in the House of Representatives.

## Public-Private Partnerships "P3" Funding

The commitment of state and federal dollars will encourage and attract private sector funding. The Authority's finance team anticipates public-private partnerships will comprise \$4.5 to \$7 billion of initial investment opportunities, including project debt financing, vendor financing, system operations and private ownership.



California's high-speed train system will generate \$1 billion in annual revenue surplus and require no taxpayer operating subsidies.

## Examples of High-Speed Train Travel Times

Travel Route	Travel Time hours : minutes
San Francisco to Los Angeles	2:38
San Francisco to San Diego	3:56
Los Angeles (Union Station) to San Diego	1:18
Bakersfield to Los Angeles	:54
Riverside to Palmdale	:59
Sacramento to Anaheim	2:36
Fresno to San Jose	:51
San Jose to Sacramento	1:24
San Jose to Merced	:45
Ontario to San Francisco	3:02
San Diego to Sacramento	3:35
Bakersfield to Modesto	1:02



SIMULATION ARTWORK: N3CD



CALIFORNIA HIGH-SPEED RAIL AUTHORITY  
925 L Street, Suite 1425, Sacramento, CA 95814  
[www.cahighspeedrail.ca.gov](http://www.cahighspeedrail.ca.gov)